

Mime-Version: 1.0
Date: Mon, 8 Jan 1996 14:18:36 -0800
To: saburke@aol.com
From: brewster@wais.com (Brewster Kahle)
Subject: Comments on Let of Intent draft 1/4/96
Cc: deanna, amorgan@wsgr.com

Sheila,

Happy snow-day. I am responding without the Allen Morgan filter.

If Bruce were invested, then we would make a real go of it, otherwise I would need to recruit others that would have less reason to go with it. Based on the offer in the letter, I am assuming that AOL does not think Bruce will be going with this-- which takes away much of what AOL was investing. I don't feel comfortable negotiating on each other's behalf, given the distance: bruce wants all the stock, and AOL wants little. If AOL wants a pitch from brewster&bruce-- we can do that, but I suggest Bruce and whomever feel that the divide is reconcilable.

What I am attempting below is to make a company that might be possible to recruit upper management and VC money. (Here the line of business and dilution issues are key)

A possibility is that the assets and baggage would lead others to a clean slate and therefore I would spend time and money to wind down WAISserver commitments. (Here the non-compete and cost of startup points are important).

This scenario gets is a happy ending to a misfit for AOL, and I am up for doing it (as I will deal with any commitments that were made while I was in charge.)

Please call or write soon. 415-826-2855.

-brewster

1A.

The Company consents to your formation of a new corporation, the principal business of which will include

i) providing support and maintenance services under all contracts listed in Appendix A and B, and ii) development of Internet tools and services excluding Internet connectivity services.

1B. change "nominal purchase price" to "market price."

1C. Changes in the board member will be mutually agreeable to NewCo and Company.

1D. Add sentence: Newco would also assume any revenue collected on or after Dec 22, 1996. [date of 1st draft of letter from Len]

IIC. The Company agrees to transfer computer equipment used yourself and the transferring employees that is listed in Appendix C. These employees may use space and network facilities in the former WAIS Inc space in San Francisco for 6 months or until AOL has stopped the lease on the premises, whichever is sooner.

II: Brewster will do some due diligence on what liabilities there are with the product. (I keep learning of meetings with key customers like Fujitsu, but I don't know what repair, if any, is needed in these relationships).

*** get a copy of the "typical provisions" in termination agreement.

IIIA.

General non-compete is shortened to May 1996 and Brewster will not work for Microsoft or ____ or ____ through May 1997.

IVB. This gives Bruce 1 year of WAIS shares and no AOL shares, rather than the last proposal which was 6 months of both WAIS and AOL shares. This is far from Bruce's or my proposals.

ii: Make sure this looks backwards only.

Appendix C:

Computer equipment directly used by the people leaving for this venture in addition to the WAISserver porting machines:

OS	MACHINE TYPE	LOCATION
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HP-UX.B.10.00	HP hp1 (former wais_hp)	San Mateo
IRIX.5.3	SGI mica.wais.com	San Francisco
OSF1.V3.2	DEC osf1 (former alpha2)	San Mateo
SCO.3.2	PC sco1 (former wais_sco)	San Mateo
SunOS.4.1.4	SUN sushi	San Mateo
SunOS.5.4	SUN sashimi	San Mateo
SunOS.5.3	SUN classic (changed the OS)	San Mateo
SCO 5.2	PC (unspecific)	San Mateo